

## Message Text

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ORIGIN EB-07

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-09 RSC-01

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-01 INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 PCH-02 IO-10 /128 R

DRAFTED BY EB/OT/GCP:DJDUNFORD:DI

APPROVED BY EB/ITP - MR. GLITMAN

EB/OT - MR. SCHMIDT

H - MR. MACKENZIE STR:SLANDE

L/EB - MR. BOND (SUBS)

ARA/ECP - MR. DAVILA (SUBS)

NEA/RA - MR. MONTGOMERY (SUBS)

EA/EP - MR. GEBER

EUR/RPE - MR. CASEY (SUBS)

AF/EPS -MS. JILLSON

----- 121453

P 010128Z FEB 75

FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS PRIORITY

AMEMBASSY SUVA BY POUCH

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: TRADE ACT OF 1974 - GSP

REF: STATE 282967

1. REFTEL (PARAS. 3 AND 4) OUTLINED PROPOSED PROCEDURE  
FOR DESIGNATING BENEFICIARY DEVELOPING COUNTRIES FOR THE  
PURPOSES OF GENERALIZED TARIFF PREFERENCES. REFTEL NOTED  
THAT THIS PROPOSED PROCEDURE WOULD BE OUTLINED IN  
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IDENTICAL LETTERS FROM PRESIDENT FORD TO BOTH HOUSES  
OF CONGRESS. SUCH LETTERS WERE SENT BY PRESIDENT FORD  
TO THE SPEAKER OF THE HOUSE AND THE PRESIDENT OF THE  
SENATE ON JANUARY 13. ALTHOUGH THESE LETTERS WERE NOT  
MADE PUBLIC BY THE ADMINISTRATION, THEIR CONTENT HAS

BEGUN TO APPEAR IN PRESS STORIES BOTH HERE IN WASHINGTON AND OVERSEAS.

2. IF POSTS RECEIVE QUERIES ON THESE LETTERS FROM HOST GOVERNMENTS OR LOCAL MEDIA, YOU SHOULD DRAW UPON PARA. 2 REFTEL AND FOLLOWING: SECTION 502(A)(1) OF THE ACT REQUIRES THAT BEFORE ANY COUNTRY IS DESIGNATED AS A GSP BENEFICIARY THE PRESIDENT MUST NOTIFY CONGRESS OF DEVELOPING COUNTRIES HE INTENDS TO DESIGNATE AS BENEFICIARIES TOGETHER WITH THE CONSIDERATIONS ENTERING INTO SUCH A DECISION. THE JANUARY 13 LETTERS INITIATED THIS PROCESS OF CONGRESSIONAL CONSULTATION WHICH IS STILL GOING ON. THE PROCEDURES SUGGESTED IN THESE LETTERS ARE

NOT NECESSARILY THOSE WHICH WILL ACTUALLY BE USED TO FORMULATE THE EXECUTIVE ORDER DESIGNATING BENEFICIARIES.

ALTHOUGH SOME SPECULATION HAS APPEARED IN PRESS STORIES HERE CONCERNING WHICH COUNTRIES MIGHT BE MOVED FROM LIST (A) AND LIST (B) AND VICE-VERSA (PARA. 3 OF REFTEL) DEPENDING ON REQUIREMENTS SET FORTH IN THE ACT, NO DECISIONS HAVE YET BEEN MADE NOR WILL ANY PROCEDURAL CHANGES NECESSARILY CAUSE SHIFTS BETWEEN LISTS.

3. TEXT OF LETTER TO SPEAKER OF HOUSE WHICH IS FOR POST'S INFORMATION ONLY FOLLOWS (IDENTICAL TO TEXT OF LETTER TO PRESIDENT OF THE SENATE):

DEAR MR. SPEAKER:

IN ACCORDANCE WITH SECTION 502(A) OF THE TRADE ACT OF 1974, I HEREWITH NOTIFY THE HOUSE OF REPRESENTATIVES OF MY INTENTION TO ISSUE AN EXECUTIVE ORDER TO DESIGNATE CERTAIN COUNTRIES AS BENEFICIARY DEVELOPING COUNTRIES FOR PURPOSES OF THE GENERALIZED SYSTEM OF PREFERENCES CONTAINED IN TITLE V OF THE TRADE ACT. I AM PROPOSING LIMITED OFFICIAL USE  
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TO DESIGNATE THE COUNTRIES LISTED IN ATTACHMENT A TO THIS LETTER.

IN ADDITION, I AM PROPOSING TO PUBLISH AND SUBMIT TO THE INTERNATIONAL TRADE COMMISSION, TOGETHER WITH THIS EXECUTIVE ORDER, A LIST OF COUNTRIES WHICH CAN ONLY BE DESIGNATED AFTER CERTAIN DETERMINATIONS ARE MADE OR PROCEDURES FOLLOWED. THIS LIST IS SET FORTH AT TAB B TO THIS LETTER.

THE LIST OF INTENDED BENEFICIARY DEVELOPING COUNTRIES AT TAB A, AND THE LIST OF COUNTRIES WHICH MAY EVENTUALLY BE SO DESIGNATED AT TAB B, ARE INTENDED TO BE AS

COMPREHENSIVE AS POSSIBLE, IN ORDER TO PROVIDE THE INTERNATIONAL TRADE COMMISSION WITH THE BROADEST POSSIBLE BASIS FOR PREPARING THE ADVICE REQUIRED OF IT BY SECTION 131(B) OF THE TRADE ACT. ACCORDINGLY, NOT EVERY COUNTRY LISTED WILL NECESSARILY RECEIVE PREFERENTIAL TREATMENT. THERE WILL BE A CAREFUL REVIEW OF THE BENEFICIARY COUNTRY LISTS BEFORE THE GENERALIZED SYSTEM OF PREFERENCES IS IMPLEMENTED.

THE CONSIDERATIONS WHICH ENTERED INTO MY DECISIONS WITH RESPECT TO THE COUNTRIES LISTED AT TAB A WERE THE FOLLOWING:

1. THE EXPRESSIONS OF THE DESIRES OF THESE COUNTRIES TO BE DESIGNATED AS BENEFICIARIES.
2. THE LEVEL OF ECONOMIC DEVELOPMENT OF THE COUNTRIES, INCLUDING THEIR PER CAPITA GROSS NATIONAL PRODUCT, THE GENERAL LIVING STANDARDS OF THEIR POPULATIONS, THE LEVELS OF HEALTH, NUTRITION, EDUCATION, AND HOUSING OF THEIR POPULATIONS, AND THEIR DEGREES OF INDUSTRIALIZATION.
3. WHETHER OR NOT OTHER MAJOR DEVELOPED COUNTRIES ARE EXTENDING GENERALIZED PREFERENTIAL TARIFF TREATMENT TO SUCH COUNTRIES.
4. THE EXTENT TO WHICH SUCH COUNTRIES HAVE ASSURED THE LIMITED OFFICIAL USE  
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UNITED STATES THAT THEY WILL PROVIDE THE UNITED STATES WITH EQUITABLE AND REASONABLE ACCESS TO THEIR MARKETS.

5. THE LEGISLATIVE HISTORY OF THE TRADE ACT, INCLUDING THE REPORTS OF THE HOUSE WAYS AND MEANS COMMITTEE AND THE SENATE FINANCE COMMITTEE ON THE TRADE ACT.

ADDITIONAL CONSIDERATIONS ENTERED INTO MY DECISIONS WITH RESPECT TO COUNTRIES LISTED AT TAB A WHICH PROVIDE PREFERENTIAL TREATMENT TO PRODUCTS IMPORTED FROM CERTAIN DEVELOPED COUNTRIES. IN THESE CASES, IT HAS BEEN DETERMINED THAT SUCH PREFERENTIAL TREATMENT WILL NOT RENDER THESE COUNTRIES INELIGIBLE FOR PREFERENCES BECAUSE ONE OR BOTH OF THE FOLLOWING CONDITIONS APPLY:

1. THE PREFERENTIAL TREATMENT GRANTED BY THE DESIGNATED COUNTRY DOES NOT HAVE OR IS NOT LIKELY TO HAVE A SIGNIFICANT ADVERSE EFFECT ON U.S. COMMERCE; AND/OR
2. I HAVE RECEIVED SATISFACTORY ASSURANCES THAT THESE PREFERENCES WILL BE ELIMINATED BY JANUARY 1, 1976.

OTHER COUNTRIES MAY BE PREVENTED FROM RECEIVING BENEFICIARY STATUS BUT FOR THE AUTHORITY WHICH I AM GRANTED BY SECTION 502 TO WAIVE THE PROVISIONS OF SECTION 502(B)(4), (5), AND (6), FOR REASONS OF NATIONAL ECONOMIC INTEREST. I HAVE DECIDED TO EXERCISE THIS WAIVER AUTHORITY FOR ALL COUNTRIES TO WHICH IT APPLIES. IT IS IN THE NATIONAL ECONOMIC INTEREST TO DO SO AT THIS TIME IN ORDER TO ALLOW THE INTERNATIONAL TRADE COMMISSION TO TAKE INTO ACCOUNT ALL PROSPECTIVE BENEFICIARIES WHEN EVALUATING THE DOMESTIC ECONOMIC EFFECTS OF GRANTING GENERALIZED PREFERENTIAL TREATMENT. SUFFICIENT INFORMATION IS NOT YET AVAILABLE TO

DETERMINE WHETHER ANY COUNTRY COVERED BY THIS WAIVER SUBSEQUENTLY WILL BE EXCLUDED, AND TO SINGLE THEM OUT FOR NON-DESIGNATION BEFORE THE INFORMATION WAS AVAILABLE TO MAKE A DETERMINATION WOULD BE PREJUDICIAL AND NOT FACILITATE THE ATTAINMENT OF THE OBJECTIVES OF THE TRADE ACT. SUCH INFORMATION WILL BE LIMITED OFFICIAL USE  
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AVAILABLE AND WILL BE TAKEN INTO ACCOUNT BEFORE A DECISION IS MADE TO DENY DUTY-FREE PREFERENTIAL TREATMENT UNDER THE PROVISIONS OF TITLE V OF THE TRADE ACT.

THE PROCEDURES SPECIFIED IN THIS LETTER ARE DESIGNED TO ALLOW THE DESIGNATION AND LISTING OF AS MANY COUNTRIES AS POSSIBLE FOR PURPOSES OF RECEIVING ADVICE FROM THE INTERNATIONAL TRADE COMMISSION WITHOUT CREATING FINAL COMMITMENTS WITH RESPECT TO WHICH COUNTRIES ULTIMATELY WILL RECEIVE PREFERENCES AFTER IMPLEMENTATION OF THE SCHEME. THE PROCEDURES ARE CONSISTENT WITH THE PROVISIONS OF THE TRADE ACT, AND WERE DISCUSSED WITH THE CONFERENCE COMMITTEE ON THE TRADE ACT. THESE PROCEDURES ALSO ALLOW PROMPT COMMENCEMENT OF THE PROCESS FOR IMPLEMENTING THE PROVISIONS OF TITLE V IN WAYS TO FACILITATE THE OBJECTIVES OF THE TRADE ACT. FINALLY, THE PROCEDURES WILL ALLOW THE INTERNATIONAL TRADE COMMISSION TO CARRY OUT CERTAIN OF THE REQUIREMENTS OF SECTIONS 131, 132, 133, AND 134 TOGETHER FOR THE PUBLIC LIST AND FOR THE GSP LIST, THEREBY AVOIDING NEEDLESS DUPLICATION.

SINCERELY,

GERALD R. FORD.

TAB A - GENERALIZED SYSTEM OF PREFERENCES--BENEFICIARY COUNTRIES--

AFGHANISTAN  
ARGENTINA  
BAHAMAS  
BAHRAIN  
BANGLADESH  
BARBADOS  
BHUTAN  
BOLIVIA  
BOTSWANA  
BRAZIL  
BURMA  
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BURUNDI  
CAMEROON

CENTRAL AFRICAN REPUBLIC  
CHAD  
CHILE  
COLOMBIA  
CONGO (BRAZZAVILLE)  
COSTA RICA  
DAHOMEY  
DOMINICAN REPUBLIC  
EGYPT  
EL SALVADOR  
EQUATORIAL GUINEA  
ETHIOPIA  
FIJI  
GABON  
GAMBIA  
GHANA  
GRENADA  
GUATEMALA  
GUINEA  
GUINEA BISSAU  
GUYANA  
HAITI  
HONDURAS  
INDIA  
IVORY COAST  
JAMAICA  
JORDAN  
KENYA  
KHMER REPUBLIC  
KOREA, REPUBLIC OF  
LAOS  
LEBANON  
LESOTHO  
LIBERIA

MALAGASY REPUBLIC  
MALAWI  
MALAYSIA  
MALDIVE ISLANDS  
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MALI  
MALTA  
MAURITANIA  
MAURITIUS  
MEXICO  
MOROCCO  
NAURU  
NEPAL  
NICARAGUA  
NIGER  
OMAN  
PAKISTAN  
PANAMA  
PARAGUAY  
PERU  
PHILIPPINES  
RWANDA  
SENEGAL  
SIERRA LEONE  
SINGAPORE  
SOMALIA  
SOUTH YEMEN  
SRI LANKA (CEYLON)  
SUDAN  
SWAZILAND  
SYRIA  
TAIWAN  
TANZANIA  
THAILAND  
TOGO  
TONGA  
TRINIDAD AND TOBAGO  
TUNISIA  
UGANDA  
UPPER VOLTA  
URUGUAY  
VIETNAM (SOUTH)  
WESTERN SAMOA  
YEMEN  
YUGOSLAVIA  
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ZAMBIA ;

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TAB B - GENERALIZED SYSTEM OF PREFERENCES--POTENTIALLY  
ELIGIBLE COUNTRIES--

ALGERIA  
CYPRUS  
ECUADOR  
GREECE  
HONG KONG  
INDONESIA  
IRAN  
IRAQ  
ISRAEL  
KUWAIT  
LIBYA  
NIGERIA  
PORTUGAL  
ROMANIA

QATAR  
SAUDI ARABIA  
SPAIN  
TURKEY  
UNITED ARAB EMIRATES  
VENEZUELA

4. LIST OF DEPENDENT TERRITORIES WHICH WAS ENCLOSED  
AT TAB A IN LETTERS IS NEARLY IDENTICAL TO THAT  
CONTAINED IN REFTEL PARA. 11. KISSINGER

NOTE BY OC/T: POUCHES SUVA.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE LAW, GENERALIZED PREFERENCES (TARIFFS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EB/OT/GCP:DJDUNFORD:DI  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D750037-0494  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750287/baaaagpk.tel  
**Line Count:** 361  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Authority:** greeneet  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** ETRD, US  
**To:** ALL DIPLOMATIC POSTS  
SUVA BY POUCH  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006